



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

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STEPHEN R. MILLER  
CHIEF

LRB draft  
file copy

August 2 , 2011

## MEMORANDUM

**To:** Representative Bies

**From:** Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **2011 AB 205** (LRB-1406/1) by **DOR**

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

July 27, 2011

**TO:** Joseph Kreye  
Legislative Reference Bureau

**FROM:** Rebecca Boldt  
Department of Revenue

**SUBJECT:** Technical Memorandum on AB 205 (LRB 1406/1) – Credit for Hospitality  
Business Advertising

The Department has the following technical concerns with the above-referenced bill:

- To avoid confusion, a definition should be provided for advertising. Does “advertising” include only the use of printed materials, such as in newspapers, magazines, billboards, etc., and radio and television commercials? For example, absent a definition a person could potentially claim a credit for the expense of a vacation trip claiming that they promoted their business the entire time they were away.
- There is also a question as to what constitutes advertising that promotes the claimant’s hospitality business in Wisconsin. Assuming a business operates a restaurant with locations across the country (for example, McDonalds), could their out-of-state advertising, even though it does not specifically refer to specific Wisconsin locations, be considered to promote the hospitality business in Wisconsin and qualify for the credit? Or if a nationwide hotel chain prints a brochure listing all locations (including one in Wisconsin), is this out-of-state advertising? The author may wish to clarify this.

If you have any questions regarding this technical memorandum, please contact Michael Oakleaf at 261-5173 or via email at Michael.oakleaf@revenue.wi.gov.

cc: Rep. Bies